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C O N F I D E N T I A L BUENOS AIRES 00167SIPDIS SIPDIS E.O. 12958: DECL: 08/22/2017 AGS: PGOV, PREL, ECON, SOCI, AR

SUBJECT: AMBASSADOR WAYNE MEETS CRISTINA'S RUNNING MATE, WITNESSES THE BOOM IN MENDOZA, ARGENTINA Classified By: Ambassador E. Anthony Wayne fc

1. (U) In a well-publicized August 16-17 visit to the central-western province of Mendoza, the Ambassador met with Mendoza Governor and Crist

SUMMARY.Meeting with Governor and VP candidate Cobos 2. (U) On August 16, Ambassador Wayne met with Mendoza Governor and National Vice Preside Cobos, Cristina Kirchner's running mate. They agreed on the importance of relations between Argentina and the United States and on expanding those relations to include science, technology, culture, education, and commerce. Cobos shared his view on the importance of education and its connection to public security. Cobos added that Argentina needs to implement a strong campaign to educate people on the rule of law. He said that they need to "break the chain" of tolerating crimes, which will require a cultural change. Cobos explained that Mendoza has made several progressive changes in its education system, which is regarded as perhaps the best in Argentina, including giving indigent children free room and board at special schools housed in refitted military buildings. Cobos said he believes that by making sure these children are given an education, housing, and food, they are reducing the chances the children will become involved in drugs, alcohol, and crime. Ambassador Wayne noted Argentina's educational system strengths and stressed the need to continue investing in the youth of Argentina.

3. (C) Cobos was vague when describing campaign plans for his and Senator and First Lady Cristina Fernandez de Kirchner's vice presidential and presidential (respectively) candidacies. Cobos said he thought that their campaign platform would have three or four key points, probably including improving Argentina's foreign relations, education, and strengthening Argentina's infrastructure. He said that the Fernandez de Kirchner-Cobos administration will be unique in its inclusion of political figures from various backgrounds. He said that he believes the "concertacion" (as it is called locally) will open administration included a good mix of Radicals, Peronists, and Victory Front members. Cobos mentioned that he has had a lot of experience working with a mix of political groups in Mendoza. He said he thought relations between Argentina and the U.S. would improve under a Fernandez de Kirchner administration.

4th Air Force Brigade 4. (U) Ambassador Wayne visited the Air Force 4th Brigade where pilots train on the domestically-produced Pampas jet.

5. (U) Ambassador Wayne addressed a group of political and business leaders organized by the local University of the River Plate Foundation (FURP) members at the Park Hyatt Mendoza. Ambassador stressed the importance of relations between Argentina and the U.S. Questions from the FURP members mainly focused on Ambassador Wayne's impressions of Argentina and the USG's agenda for Latin America as a whole and Argentina specifically. Mendoza's Vice Governor Juan Carlos Jaliff and two candidates for governor of Mendoza, Cesar Biffi (Radical K) and Omar Demarche (Mendoza Democrat party), attended the meeting arranged by FURP president and political commentator Luis Rosales. Rosales also arranged for a private dinner at a local vineyard for the Ambassador and many of the Mendoza FURP members.

Meeting with Directors of the Mendoza Food Bank 6. (U) On August 17, Ambassador Wayne met with Mendoza Food Bank president Bernardo Zunino and decreased. The food bank has 12 corporate sponsors and works with approximately 40 more companies that donate food, supplies, and time. Although Argentina does not have "Good Samaritan" legislation to protect donors from legal action if a donation harms a recipient, the Mendoza Food bank receives monthly certification from the Argentine Institute of Normalization and Certification (IRAM), which is similar to norms of the International Standards Organization (ISO) for food handling. Thus, food bank donors are protected from legal consequences of donations since the food bank takes responsibility for ensuring donations will not harm recipients.

7. (U) Zunino and de Luca mentioned that they do not receive assistance from the local Walmart, which they claim destroys its excess inventory of perishables instead of donating it probably out of concern about legal liability. Ambassador Wayne said he was aware of Walmart donations in other provinces and offered to follow up with Walmart about the possibility of donations to the Mendoza food bank. Eva Peron Boarding School for the Underprivileged 8. (U) On August 17, Ambassador Wayne

exchanges via the internet and offered to help the school learn more about accessing the program. Briefing on Mendoza's Economy 9. (U) Ambassador Wayne visited the Mendoza offices of the Mediterranean production will continue to fall. FM said that domestic business profits started to fall in 2005 as wage and input price increases cut gross revenue margins. According to FM, the real exchange rate is currently appreciating as domestic inflation goes up, which will affect the tourism and commerce sectors of Mendoza's economy. 10. (U) FM believes that the agroindustrial sector in Mendoza will face significant decreases in its market. 1

FM explained that the real inflation rate in Buenos Aires and for the country is probably around 14% as well, but that, for political convenience, the GoA has adjusted these numbers down. FM said that since 1912 there has been a 95% correlation between the inflation rates in Mendoza and for the nation. FM said that it is impossible for all regions of Argentina to have increasing inflation except Buenos Aires city and province. 12. (U) FM explained that Mendoza provincial government policies and actions can really only affect about 5% of Mendoza's economy. FM believes that the province should work to facilitate the growth of business by reducing bureaucratic obstacles currently in place that make opening legitimate enterprises a slow and costly exercise. FM said that the paperwork and fees to legally register a new business are so prohibitive and time-consuming that they are an incentive to maintain businesses in the informal economy. 13. (U) FM touched briefly on the energy sector crisis in Argentina, saying that this has been the fears that the energy issue has already begun to affect

exports from Mendoza. ----- Candidate for Governor Offers a Critique-14. (U) Ambassador Wayne met with Ser candidate Celso Jaque to discuss his views on the key issues in Mendoza and his main campaign messages. Also present were embosoffs, Zuccardi Vineyards owner Jose Zuccardi, IV grantee and Jaque advisor Diego Bossio, and architect Cristian Racconto. Jaque is running as the Victory Front party (FPV--President Kirchner's party) candidate for governor of Mendoza (elections on October 28). Jaque frankly shared his

vision for improving the province of Mendoza. He said that the principal problem in Mendoza is a lack of strong institutions, followed by corruption. He believes Mendoza's current leadership (Governor and vice presidential candidate Julio Cobos and vice governor Juan Carlos Jaliff) have mismanaged Mendoza's abundant resources and perpetuated the poverty and misery of many Mendozaans. 15. (C) Jaque said that Mendoza currently has 22,000 children not attending school. He said that the demand for drugs, the supply of drugs, nor the faulty police work in counter drugs in Mendoza. 16. (C) In commentary on the public security crisis in Mendoza, which has brought National Gendarmerie to the streets only fire their weapons five times. He said this leads to police on the streets whose fire-arms training is insufficient to know when to draw their weapons and when to withhold fire. He added that the cadets must pay for their own bullets, but that their salaries are not augmented for the extra cost. Jaque said that if the police continue to be paid insufficient wages and to be expected to pay for their own ammunition, the officers will end up living in the same tough neighborhoods as the "delinquents" they are charged with policing. Jaque said that Governor Cobos's recent success in bringing 120 extra gendarmerie troops to Mendoza will not help the crime situation in the province. Jaque was clear that he believes the police must be local; they must know the neighborhoods and their residents. He mentioned that Cobos's administration had purchased a number of new patrol cars, but when Jaque went to see the cars, he found that many had burnt-out motors and flat tires. He cited this as a blatant example of Cobos's mismanagement of the province. 17. (C) Jaque was adamant that the province has so many natural and industrial resources that there should not be any significant poverty, indigence, or hunger. He said that if he is elected in October, he will begin negotiating a new consensus in the province before his accession to power in December. He believes that the government and the economy of Mendoza should be decentralized to provide improvements to the quality of life for all Mendozaans, not just those who live in the capital. He pledged to continue Cobos's record of good relations with the federal government, which he named as the only positive aspect of Cobos's administration.

----- Press Coverage ----- 18. (U) Local press coverage of Ambassador Wayne's trip highlighted his meetings with a broad range of business and community leaders during his visit. This was particularly mentioned by the city's two leading newspapers, Los Andes and Uno, in their coverage of Ambassador's speech to FURP members. Local newspaper, TV, and radio also covered the Ambassador's book donation at the Eva Peron school. At the national level, the press carried the news of the Ambassador's meeting with Governor Julio Cobos, who had only two days before formally launched his candidacy in Buenos Aires as Fernandez de Kirchner's running mate. WAYNE